Trafalgar Insurance Limited

Solvency and Financial Condition Report 2023

Summary

This is the solvency and financial condition report ("SFCR") for Trafalgar Insurance Limited ("Trafalgar", "the Company"). Publication of an SFCR is a mandatory requirement of Solvency II as implemented in the UK.

The ultimate parent undertaking is Allianz Societas Europaea ("Allianz SE"). Globally, Allianz SE is a financial services provider with more than 100 million retail and corporate customers in more than 70 countries. More information about Allianz SE and its operations around the world can be found on the Allianz SE website.

During 2023 the Company adopted the International Financial Reporting Standards ("IFRS") 9 and 17. For further information on this, please refer to the Company's Annual Report and Financial Statements.

The SFCR is made up of five key sections that together give a comprehensive view of the Company's business strategy and performance, its system of governance, its risk profile, its current valuation for Solvency II purposes, and its capital management approach and current capital position.

Section A looks at the business and performance of Trafalgar during 2023. It starts with a section describing the legal structure of the Company and its place in the Allianz Holdings plc Group ("the Group"). Trafalgar reported a profit before tax for the year of £422k (2022: £122k restated).

Section B looks at the System of Governance. This section describes the ways in which the Company ensures that its business runs effectively and in compliance with the regulations of Solvency II.

The Company's Board of Directors have overall oversight of the business, while day to day running is conducted by management. The actions of management take place within the confines of the System of Governance. Further details regarding the Board and its committees is provided in section B.1.

Section C reviews the risks which the Company faces. These include:
- Underwriting Risk.
- Market Risk.
- Credit Risk.
- Liquidity Risk.
- Operational Risk.

Each type of risk is covered in turn. The risk itself and the methods for understanding, managing and mitigating that risk are described, and any major concentration of that risk type is identified.

This section confirms that each risk type to which the Company is exposed to is appropriately understood, managed and mitigated.

Section D reviews the statement of financial position of the Company. The statement of financial position is the main mechanism by which the solvency of the Company, the amount of capital it has available to protect it and its policyholders against a shock, is assessed. This section describes the methods used to value the items on that balance sheet in accordance with the Solvency II Directive and explains any significant valuation differences to the valuation applied in the preparation of the Annual Report and Financial Statements.

In section D.2 Technical Provisions are considered. Technical Provisions represent the current amount required to transfer insurance obligations immediately to another insurance entity. They include the funds the Company has put aside specifically to pay future claims. Section D.2 examines in detail the separate elements that make up the technical provisions and explains the actuarial methods and assumptions used.

Summary continued

Section E refers to the capital available within the Company for the purpose of absorbing shocks. The amount of Own Funds required by Solvency II is defined by the Minimum Capital Requirement ("MCR") and the Solvency Capital Requirement ("SCR"). The MCR is the level of Own Funds below which the Company may no longer legally continue to trade, while the SCR is the minimum level treated as acceptable in normal circumstances by the Solvency II regime.

As at 31 December 2023, the MCR was £3,495k and is covered by £8,476k of eligible Own Funds (tier 1 only). As at 31 December 2023, the SCR was £1,030k and is covered by £8,476k of eligible Own Funds (£8,476k tier 1 and £nil tier 3). The Solvency ratio (that is, the percentage coverage of the SCR by Own Funds) is 823%. The Company has fully complied with the SCR throughout the period.

Further information about the quality of the Own Funds and the makeup of the SCR is provided in sections E.1 and E.2.

The Company uses the standard formula prescribed by Solvency II.

The SFCR contains a Statement of Directors' Responsibilities. It does not contain an auditor's report as Trafalgar is exempt from any audit requirements in respect of its SFCR.

Finally, the following Quantitative Reporting Templates ("QRTs") have been disclosed as an appendix to the SFCR;

- S.02.01 Balance Sheet.
- S.05.01 Premiums, claims and expenses by line of business.
- S.12.01 Life and Health SLT Technical Provisions.
- S.17.01 Non-life Technical Provisions.
- S.19.01 Non-life Insurance Claims Information.
- S.23.01 Own Funds.
- S.25.01 Solvency Capital Requirement (for undertakings on Standard Formula).
- S.28.01 Minimum Capital Requirement (Only life or non-life insurance or reinsurance activity).

A. Business and Performance
A.1 Business

Name and legal form of undertaking

The Company is a private limited Company incorporated in the UK, under company number 00096205.

Registered office: 57 Ladymead, Guildford, Surrey, England, GU1 1DB

Name and contact details of the supervisory authority responsible for financial supervision.

The PRA and Financial Conduct Authority ("FCA") are responsible for the financial supervision of the Company.

PRA: 20 Moorgate, London, EC2R 6DA

FCA: 12 Endeavour Square, London, E20 1JN

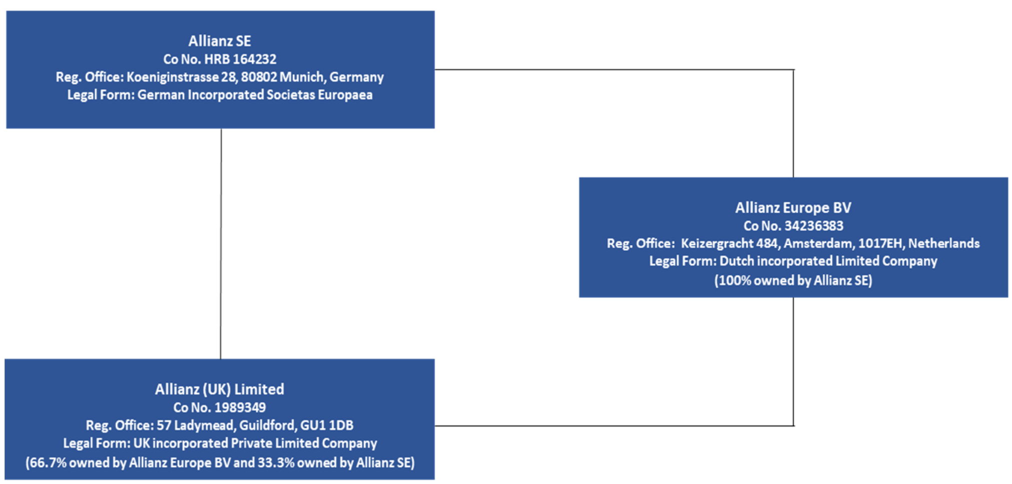
Name and contact details of the external auditor

PricewaterhouseCoopers LLP: 7 More London Riverside, London, SE1 2RT

Description of the holders of qualifying holdings in the undertaking

The Company is a wholly owned subsidiary (via intermediate holding companies) of Allianz SE, incorporated in Germany (Registered address; Koeniginstrasse 28, 80802 München, Germany).

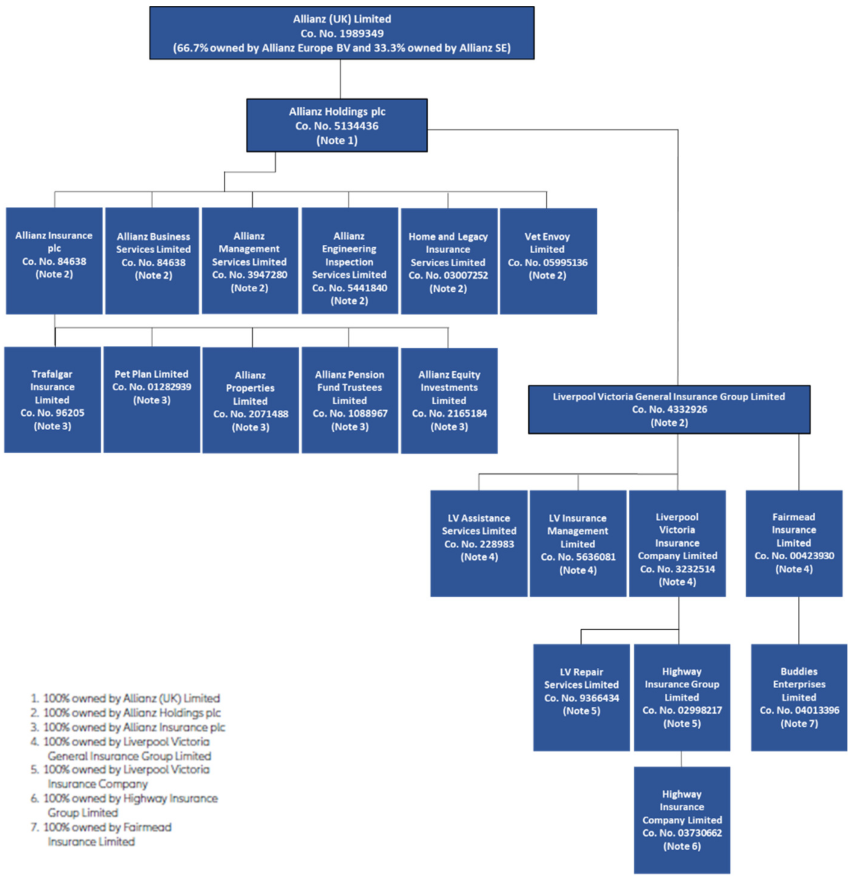
The structure charts below describe the position of Allianz (UK) Limited ("Allianz UK") within the Allianz SE group, including details of the holders of qualifying holdings in the Company, and also its material related undertakings.



A. Business and Performance continued

All Allianz UK Group companies are UK incorporated. As at 31 December 2023, all Allianz UK companies had their registered offices at 57 Ladymead, Guildford, GU1 1DB.

All Allianz UK companies shown on this page are private limited companies except for Allianz Holdings plc ("AZH") and Allianz Insurance plc ("AZI") which are public limited companies.



The SFCR and all tables within it are presented in pounds sterling rounded to the nearest thousand which is consistent with the presentation in the International Financial Reporting Standards ("IFRS") financial statements. The QRTs are presented in pounds sterling rounded to the nearest thousand. Rounding differences of +/- one unit can occur.

A.2 Underwriting performance

During 2023, Trafalgar made a profit after tax of £422k (2022: £122k restated).

A.3 Investment performance

The Company does not have any investments. The Company retains cash to meet its insurance liabilities.

A.4 Performance of other activities

There are no other activities to disclose.

A.5 Any other information

The Company ceased underwriting activity in 2006 and since that date has been actively managing the settlement and run-off of the remaining insurance contract liabilities.

The SCR ratio as at 31 December 2023 is 823% (2022: 685%).

B. System of Governance

B.1 General information on the system of governance

Boards and Committees

The Company leverages the governance structure of the Group. The boards of the Company, AZH and other key regulated entities and holding companies within the Group (together the "Combined Boards") have the same Directors. Board meetings for all of these entities are held together, with each company discussing matters relevant to it and the Directors considering matters from the perspective of each relevant company where relevant for each item on the agenda.

On 31 December 2023, the Combined Boards of the Company comprised of three Directors. The Board is responsible for deciding the business strategy and for ultimate oversight of the conduct and performance of Trafalgar. It is also responsible for external reporting.

The members of the Board of Trafalgar are:

Catherine Dixon (resigned on 2 February 2024)
Fernley Dyson (resigned on 29 May 2023)
Colm Holmes (appointed on 1 May 2023)
Ulf Lange (appointed on 30 May 2023)
Simon McGinn (resigned on 30 April 2023)

The Company is a wholly owned subsidiary of AZI, which is part of the Group. As a result of the governance structure of the Group, strategic decisions and matters which affect the whole Group including the Company are considered by the Combined Board or its committees to an appropriate extent for the Group as a whole. Certain Group stakeholders and their interests (including customers, employees, community and the environment) are considered at and actions concerning them determined at a Group level by the Combined Board and its committees rather than at a subsidiary Board level. The Board of the Company does not have its own committees but leverages the Group's governance structure. Full details of the system of governance applicable to the Company are disclosed in the AZI SFCR.

Defined Roles and Responsibilities

The following four key functions required by Solvency II are headed by the following individuals:

- Risk Function: John Berry – Chief Risk Officer ("CRO").
- Compliance Function: Alison Rayner - Chief Compliance and Corporate Affairs Officer ("CCCAO") (Margo Young – Chief Compliance Officer up to 14 February 2023).
- Actuarial Function: Laurence Townley – Chief Actuary.
- Internal Audit Function: Matthew Cox – Chief Audit Officer.

B.2 Fit and proper

The Company requires that all Directors and other senior managers possess integrity, good repute, specific skills, knowledge and the experience necessary to execute their respective roles. This requirement aligns to the requirements of the PRA and FCA within the UK regulatory Senior Managers and Certification Regime ("SM&CR"), and includes all managers identified as Key Function Holders and Key Function Performers. The individuals, with the support of their line managers, are responsible for ensuring that their skills, knowledge and experience remain adequate and kept up to date.

Processes are in place to assess the fitness and propriety of individual managers and Directors subject to the SM&CR prior to those persons joining the Company or assuming a relevant position. Thereafter, annually throughout their employment, a detailed attestation is required from the relevant individual. This includes declarations concerning:

- Criminal proceedings or investigations against them (or any firm over which they have held influence).
- Civil proceedings and bankruptcy orders or liquidation or similar proceedings against them (or any firm over which they have held influence).
- Disciplinary proceedings or findings against them.
- Regulatory proceedings or findings against them (or any firm over which they have held influence).
- Compliance with procedures concerning personal account dealings in Allianz SE and other securities.
- Potential or actual conflicts of interest.

B.3 Risk management system including ORSA

Risk Management Framework

The design and operation of the Risk Management Framework is the responsibility of the Board, advised by the CRO. The Risk Management Framework encompasses all levels of the Company's management. The components of the system, described below, are embedded in the operations of the organisation.

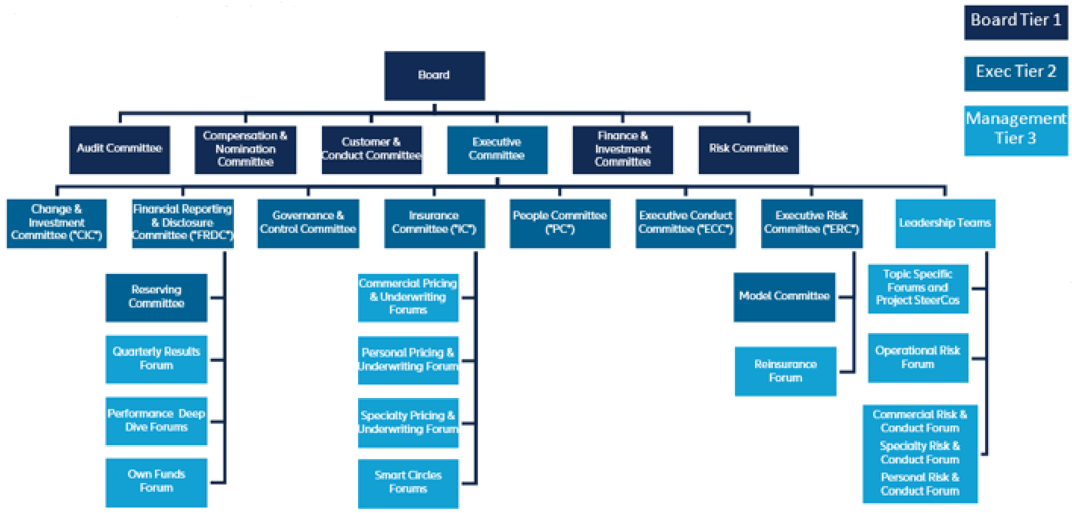
The system is built around the Three Lines of Defence model:

- The first-line of defence comprises risk taking units which are responsible for delivering profit or loss.
- The second-line comprises independent risk controlling units, including Risk and Compliance, which oversee the framework in which the business works, and validate risk and control information coming from the first line.
- The third-line of defence is the Internal Audit function, which reviews the activities of both first and second lines of defence.

The Board of Directors and Executive Committee are responsible for setting the firm's strategy and risk appetite, with the support and challenge of the Risk function.

A comprehensive committee structure is in place to ensure that risks are considered at the appropriate level. The diagram below gives further details of the committee structure.

B. Systems of Governance continued



The Board identifies and prioritises all the material risks facing its business, supported by Board Risk Committee, the Executive Committee and its sub-committee, the Executive Risk Committee ("ERC"), and the Risk function. After the risks have been identified, the ERC ensures that arrangements are put in place to control those risks. Risk and control policies are documented.

To ensure risk management is fully integrated into the business, and effective control is maintained, key risks and controls are owned by members of the ERC and other senior managers. As appropriate to their roles, the members of the ERC and senior managers assume first-line accountability for the identification and management of all risks in the organisation.

The main risks are kept under regular review by the Board via reports from the Risk function to the Board Risk Committee. The Executive Committee is supported in its oversight of risk by a number of sub-committees, including the ERC.

The CRO is supported by a Risk function consisting of risk and actuarial professionals. It has responsibility for the calculation of risk capital, the development and monitoring of the implementation of risk policies, the identification and monitoring of risks, and the management testing of the key controls that mitigate risk.

The Risk function is independent of the first-line functions, and independence is prescribed by written policy and overseen by the Risk Committee.

In order to ensure comprehensive coverage of the risk landscape, risk analysis is undertaken within a risk taxonomy.

This risk taxonomy is split into three broad groups of risk types:

1) Modelled: Insurance, Market, Credit, Business and Operational.
2) Not modelled: Reputational, Liquidity, Strategic and Conduct.
3) Overarching risks: Aggregation and Accumulation, Conduct, Group and Emerging.

Modelled risks are quantified using the standard formula and recalculated in full each quarter. Risk tolerance limits are used to monitor quantifiable risks regularly. A number of qualitative risk assessment processes are undertaken by the first-line of defence, challenge and oversight from the Risk function. The results of these assessments are used to inform key business decisions and planning.

B.3 Risk management system including ORSA

Risk Management Framework

The ORSA process forms a substantial part of the Risk Management Framework described above. The ORSA consists of a number of interlinked sub-processes, including but not limited to:

- Top risk assessments.
- The control framework
- Stress and scenario testing.
- Internal capital modelling
- Corporate strategy and planning.

The Board is responsible for setting the business strategy and risk appetite. Business strategy is determined by the Board and its implementation in terms of types of business, business volumes, capital requirements, financial performance and other appropriate measures, is set out in the business plan. The business plan is prepared annually and outlines the goals in support of corporate strategy to be implemented by the Executive Committee.

The risk strategy and appetite are set by the Board. The Company manages risk in line with the stated risk appetite through its Risk Management framework. This consists of ORSA processes, which identify, evaluate, mitigate and monitor events or a combination of events, so that through an informed decision making process the likelihood and consequences of occurrence are within limits considered acceptable by the Board.

The ORSA covers the overall solvency needs from a forward-looking perspective, taking into account the Company risk profile, approved risk tolerance limits, the business strategy and the significance with which the Company risk profile may deviate from the assumptions underlying the standard formula. The ORSA is an integral part of the development and monitoring of the business strategy and is considered on an ongoing basis in strategic decisions. Roles and responsibilities relating to the ORSA include the Board setting process requirements and challenging and approving the ORSA report.

The ORSA report is produced annually in alignment with the corporate planning process, and is supported by quarterly updates to the Board Risk Committee. The ORSA may also be updated following any event that materially changes the risk profile of the organisation.

A full non-regular ORSA process may be required after any event that could substantially alter the overall conclusions of the most recent (regular annual) ORSA report. The following potential trigger events have been identified:

- Large UK-based natural catastrophe events that have a significant impact on the Company risk portfolios.
- Major change in business situation e.g. merger, acquisition or divestiture activity which would require the Company to assess the impact on its current and projected solvency.
- Significant capital market dislocation that has a material impact on the Company investment portfolios
- Material regulatory intervention.
- Significant changes to the risk profile leading to a need to re-assess the appropriateness of the Standard Formula.
- Significant changes to reinsurance arrangements.
- Significant changes in regulation or legislation, e.g. material changes to capital requirements and
- Materialisation of a significant non-quantified risk (e.g. Strategic, Reputational, Liquidity or Conduct risk).

The ORSA process is underpinned by individual accountabilities and processes undertaken by first-line managers across the organisation. These include but are not limited to defined authority levels for claim handling and underwriting, and limits on investment risk-taking.

The major sub-processes that contribute to the ORSA process are:

- The setting of risk strategy and appetite by the Board, on the advice of the Risk Committee and CRO.
- The development of strategy and a business plan within the defined risk appetite.
- The approval of policies and standards in the management of risk by appropriate governance bodies and the monitoring of compliance with those policies and standards by the Risk function.
- A number of Risk evaluation processes, including:
    - The maintenance of a top risk register, including a record of the controls around those risks.
    - The regular analysis of the impact of specific stress scenarios.
    - The maintenance of a register of key operational risks.
- Regular internal reporting on risk exposure and control performance to governance
- Regular external reporting to regulators and to the public, as required by Solvency II and UK regulation.

The Company uses the Standard Formula to determine its solvency needs (refer to section C). The Standard Formula is used as the primary input for decisions on capital management (refer to section E). The CFO ensures that recommendations to the Board on capital management take account of risk management activities. The Company's policy on capital management is documented and approved by the Board.

B.4 Internal control system

To ensure an effective internal control system, all functions cooperate to exchange necessary information and advice. Second-line and third-line functions maintain open lines of communication with first-line functions, and attend key committees at all levels of the Company's governance structure.

With regard to the integrity of financial reporting, the Risk function oversees the operation of a process of internal control via the non-financial risk management ("NFRM") framework. Under the NFRM, controls relevant for financial reporting are tested by the first-line and second lines of defence and reported by the Risk function. Additional testing is also completed by Internal Audit. Internal Audit tests the operating effectiveness of entity level controls. Senior managers across the organisation, culminating in the CFO and the CEO, are held accountable for the effective design and performance of processes within their span of control. The NFRM framework, including the reporting of risks outside of appetite, the reasons for this assessment and the remedial actions to bring them back into appetite, is monitored by the Risk Committee.

Compliance Function

Compliance is a key function within the internal control system of the Company. The function's primary responsibilities and activities are:

- To support and monitor compliance with applicable law, regulations and administrative provisions to protect the Company against compliance and conduct risks.
- To advise senior management, committees and the Board on compliance with laws, regulations and administrative provisions adopted pursuant to Solvency II.

The activities and processes of the Compliance function are not exclusively performed by Compliance and may be delegated to, or supported by, other departments, business areas, Internal Audit, Risk, and Actuarial, or external resources.

During the period of the report, the Compliance Department comprised a full-time team of Compliance professionals led by the Chief Compliance and Corporate Affairs Officer, who is a member of the AZH Executive Committee. Compliance is a second-line; independence of the function is ensured by written policy and by the oversight of the Customer and Conduct Committee. The Compliance Department produces an annual monitoring plan, in consultation with the Risk and Internal Audit functions, for approval by the Customer and Conduct Committee. Delivery of this plan, findings from monitoring exercises and remediation of those findings are overseen by the Executive Conduct Committee and the Conduct Committee.

B.5 Internal audit

The Group Internal Audit function exists to enhance and protect organisational value by providing risk-based and objective assurance, advice, and insight. Internal Audit helps the Group to accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of governance, risk management, and control processes. Internal Audit has a Policy and Charter, approved annually by the Group Audit Committee to document its mission, scope, independence, accountabilities, responsibilities, authorities and standards.

The Chief Audit Officer reports functionally to the Chair of the Audit Committee and administratively (i.e., day-to-day operations) to the CEO. The Chief Audit Officer has unrestricted access to, and communicates and interacts directly with, the Executive Committee and Audit Committee, including in private meetings without management present. The Chief Audit Officer does not have any additional roles or responsibilities outside of internal auditing and all internal audit personnel report directly to the Chief Audit Officer.

Internal Audit prepares, at least annually, a risk-based internal audit plan for the Audit Committee for review and approval. Senior management and second line assurance functions are consulted during the preparation of the plan. Over the five year planning cycle, all applicable audit universe components and legal entities are expected to be audited, with exceptions identified to Audit Committee for ratification. The plan is reviewed and adjusted, as necessary, in response to changes in the Group's business, risks, operations, programmes, systems, and controls. Plan performance, including the results of audits, completion of open audit findings and any significant interim changes to the internal audit plan, are regularly communicated to senior management and the Audit Committee.

B.6 Actuarial function

Solvency II requires that each Company has an Actuarial function to:

- Coordinate the calculation and validation of technical items under IFRS and Solvency II, including technical provisions calculations.
- Ensure the appropriateness of the methodologies and underlying models used as well as the assumptions made in the calculation of technical provisions.
- Assess the sufficiency and quality of the data used in the calculation of technical provisions;
- Compare best estimates against experience.
- Inform the Board of the reliability and adequacy of the calculation of technical provisions;
- Express an opinion on the overall underwriting policy.
- Express an opinion on the adequacy of reinsurance arrangements.
- Contribute to the effective implementation of the risk management framework, in particular with respect to the risk modelling underlying the calculation of the capital requirements.
- Prepare an annual report on the actuarial function ("Actuarial Function Report").
- Report the results of the reserve valuations to the Board and Group via the Audit Committee.

The Actuarial function's independence is supported by written policy. It recommends the level of Technical Provisions to the Financial Reporting & Disclosure Committee. The work of the Actuarial function, and its independence, is overseen on behalf of the Board by the Audit Committee.

The Actuarial function consists of the Chief Actuary who is supported by a team of actuarial professionals. The Chief Actuary holds an Institute & Faculty of Actuaries Chief Actuary Practising Certificate and is the approved SMF20 Chief Actuary Function Holder. The Actuarial function reports on compliance with the above requirements by producing an Actuarial Function Report.

B.7 Outsourcing

All outsourcing arrangements are entered into and managed in accordance with the requirements of the Group Outsourcing Policy ("the Policy"). The Policy is owned by the Head of Procurement and is approved by the Combined Board on an annual basis.

The Policy sets out a clear framework for making decisions on when to outsource, the requirements to contract with a service provider and the management of the outsourcing arrangement. Compliance with the Policy is overseen by the Group outsourcing function, who, with the procurement team, also provide expert advice on setting up, managing and terminating outsourcing and other contracts. Suppliers are risk-assessed by procurement at the point of initial engagement, and at intervals throughout the lifetime of the contract, drawing advice from key functions as and where required. Risks considered include cyber risk, information security risk, business continuity risk and data privacy risk. Critical or important function suppliers are managed closely ensuring that the appropriate monitoring and oversight is in place for these suppliers.

B. Systems of Governance

All requirements set out in the Policy also apply to outsourcing to another Allianz SE Group company.

All outsourcing arrangements are recorded on an Outsourcing Register. The outsourcing register records the rationale for outsourcing of each arrangement, the location of the outsource provider and confirmation that appropriate oversight is in place.

In 2023 the approach to oversight included the following controls;

- All outsourcing arrangements must have a signed contract incorporating standard terms and conditions or specific terms which have been fully risk assessed.
- Financial health monitoring using an automated alerting system.
- Monitoring of third-party companies and Directors against the HM Revenue & Customs ("HMRC") Sanctions list.
- Where information is shared with third parties a series of questionnaires (relating to cyber risk, information security and data protection) are sent to each supplier prior to the commencement of their service and subsequently risks are assessed against appetite.
- Privacy impact assessments are used to inform data protection.
- Due diligence is completed on all potential service providers to ensure they have the ability, capacity and authorisations required to meet the requirements of the business.
- On a quarterly basis a review is completed on each critical or important supplier. This reviews third parties' internal controls as well as completion of activities relating to relationship management and oversight. This includes, details relating to Policy Compliance, Exit Planning, Business Continuity Planning, Supplier Capability, Performance Reviews and Conduct Risk. Summaries of information are provided to key functions and Business Owners for approval prior to being submitted to the Operational Risk Forum and the Executive Risk Committee for review.
- Creation of supplier service specific business continuity and exit plans including provisions for management of cyber risk events.
- The table below outlines the critical or important functions or activities which the Company outsourced at the end of 2023, and the jurisdiction in which the service providers are located.

Activity outsourced	Fellow member of the Allianz SE Group	Outsourcing Provider's Jurisdiction
Handling of run – off claims	N	United Kingdom
Management Services, including provision of staff	N	United Kingdom

The Company does not outsource any of the four key functions defined by Solvency II – Risk, Compliance, Actuarial and Internal Audit.

B.8 Additional information

The Company monitors the effectiveness and adequacy of its System of Governance, including the effectiveness of specific functions. The annual review of the System of Governance for 2023, conducted in early 2024, concluded that there was in place a System of Governance that provides for sound and prudent management of the business. Certain matters arose in the course of 2023 which indicate further improvement is needed in the broader implementation and operation of the System of Governance to ensure its continued effectiveness. These matters have been identified through the operation of the System of Governance and effective improvement plans have been identified and either have already been implemented or are in the process of being implemented.

C. Risk Profile

This section provides information on the Company's overall risk profile followed by a description of each risk category in detail.

Measurement of risk

Risk is measured and managed using a number of quantitative and qualitative tools which allows management to identify the key areas of risk exposure and make informed decisions as to whether the current levels of exposure are consistent with risk appetite:

- The main quantitative tool is the Solvency II Standard Formula, under which the Company derives its risk capital from potential adverse developments of Own Funds. The resulting profile provides an overview of how risks are distributed over different risk categories and determines the regulatory capital requirements in accordance with Solvency II.

- An analysis of change is performed on the regulatory capital requirements on a quarterly basis, looking at individual risks as well as the whole SCR.

- Capital and Own Funds are monitored on a regular basis and the results reported to Senior Management.

- The Company uses a combination of methods, including expert judgement and the outputs from incident management, to identify, assess and control qualitative risks. Qualitative risks are regularly monitored by management to ensure that they do not materially impact on the operational activities required for the achievement of business plans.

Risk Exposures Overview

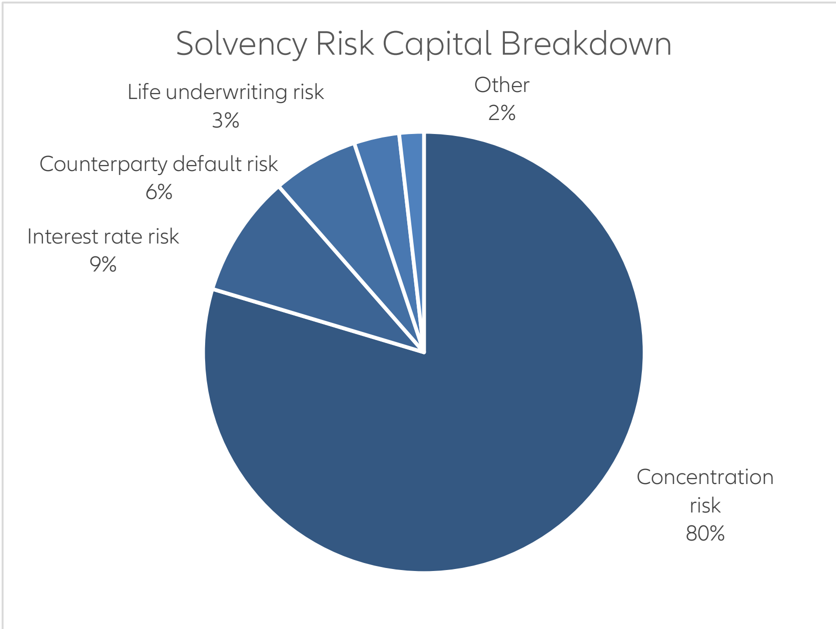
The Company has insured only non-life insurance risks which it ceased underwriting in 2006. As a result of its asset management activities to support its primary business activities it is also exposed to market and credit risks. The Company has settled some Motor claims by Periodic Payment Orders ("PPO") which are exposed to life insurance risks, particularly longevity.

The Company does not use Special Purpose Vehicles to transfer risk and is not exposed to risk from positions off its balance sheet.

During 2023, there were no material changes in the methods used to assess risks. The overall risk capital profile is broadly stable compared to last year.

C. Risk Profile continued

The chart below shows the 2023 year end split of the Standard Formula SCR by risk type, before diversification between categories. The largest exposure, 80% of the SCR, relates to concentration risk followed by interest rate risk with 9%, counterparty default risk with 6% and life underwriting risk with 3%.



Prudent Person Principle

The Company operates within an investment framework which ensures that all assets are invested in accordance with the prudent person principle. All investment and strategic management decisions are set within Board approved risk appetite limits. The Company employs a CIO, who is supported by Allianz Investment Management.

C.1 Underwriting risk

The underwriting risk consists of:

- Non-life underwriting risk (Reserve risk).
- Life underwriting risk (Longevity risk).

There is a concentration of underwriting risk because the outstanding reserves of Trafalgar relate to a very small number of claims. This concentration is managed by the Directors of Trafalgar, advised by their claims and actuarial advisors. The main mitigation factor in place is the presence of reinsurance, limiting the possible adverse development.

Non-life underwriting risk (Reserve risk)

The Company holds reserves for claims resulting from past events that have not yet been settled. If the claims reserves are insufficient to cover claims to be settled in the future due to unexpected changes, losses would be incurred. Claims reserves could be under-estimated if, for example, more claims had occurred in the past than have been estimated or average amounts paid per claim to settle these are higher than expected. This risk is referred to as reserve risk.

The Company monitors the development of reserves for insurance claims on a line of business level at least annually. There was no material change to reserve risk exposure during 2023.

Life underwriting risk (Longevity risk)

Technical provisions held in respect of PPO claims are classified as annuities stemming from non-life insurance contracts and are also subject to longevity risk. The longevity risk from these technical provisions is assessed within the life underwriting risk module of the Standard Formula.

C.2 Market risk

Market Risk arises as part of the assets held and impact of discounting on liabilities. The main component is concentration risk which is also the main driver for the total SCR.

The Company assesses its market risk exposure via quantitative and qualitative processes carried out by the Investment and Risk functions, including regular dialogue between the functions and formal reporting to the FICO and the Risk Committee.

C.3 Credit risk

Trafalgar's credit risk exposure arises from its reinsurance counterparties. Trafalgar has material concentration of credit risk with a fellow subsidiary of Allianz SE in respect of reinsurance. Each concentration is considered appropriate because of the financial strength of the counterparty.

C.4 Liquidity Risk

Liquidity risk is the risk that requirements from current or future payment obligations cannot be met.

The Company has sufficient liquid assets to meet obligations as they fall due. The cashpool balance (disclosed within loans and mortgages) along with cash and cash equivalents are readily realisable.

C.5 Operational Risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Company's processes, personnel, technology and infrastructure, or from external factors other than financial risks, such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour.

Trafalgar uses the processes and policies of the Group to manage its operational risk.

C.6 Other material risks

Trafalgar has no other material risks.

D. Valuation for Solvency Purposes

The scope of this section of the report is to represent the excess of assets over liabilities of the Company.

The recognition, measurement and valuation policies for IFRS reporting purposes applied by the Company are summarised in notes 1.4 and 2 within the Trafalgar Insurance Limited Annual Report and Financial Statements. This report summarises any differences to those valuation policies for solvency purposes.

The table below shows the IFRS Statement of Financial Position ("SOFP") of the Company as at 31 December 2023 and the key reclassifications and valuation differences between that and the balance sheet used for Solvency II purposes ("MVBS").

	IFRS SOFP (£000)	Reclassifications (£000)	Valuation Difference (£000)	MVBS (£000)
Reinsurance recoverables	3,622	–	337	3,959
Insurance and intermediaries receivables	13	–	–	13
Reinsurance receivables	159	–	–	159
Receivables (Trade, not insurance)	8,939	(8,886)	–	53
Loans and mortgages	–	8,886	–	8,886
Cash and cash equivalents	328	–	–	328
TOTAL ASSETS	**13,061**	–	**337**	**13,398**
Best Estimate – life	4,148	–	424	4,572
Best Estimate – non-life	5	–	–	5
Risk Margin – life	11	–	26	37
Reinsurance payables	40	–	(40)	–
Deferred tax liabilities	64	–	(17)	47
Other liabilities	261	–	–	261
TOTAL LIABILITIES	**4,529**	–	**393**	**4,922**
Excess of assets over liabilities	**8,532**	**–**	**(56)**	**8,476**

D.1 Assets

Receivables have been reported in the Solvency II balance sheet at the value included under IFRS accounts. This is deemed market consistent given that the receivables are due within 12 months and therefore the discounting effect of the time value of money is not deemed significant.

There is no material difference in valuation between the Solvency II balance sheet and the IFRS accounts for cash and cash equivalents.

For all material classes of assets there have been no changes to the recognition or valuation basis in the year.

Assumptions and judgements that affect the reported amounts of assets are disclosed in the Company Annual Report and Financial Statements.

Deferred tax

Deferred taxes, except deferred tax assets arising from the carry forward of unused tax losses, are valued on the basis of the difference between the values ascribed to assets and liabilities recognised and valued in accordance with the Solvency II Directive, and the values ascribed to assets and liabilities as recognised and valued for tax purposes. The valuation difference relating to deferred taxes mainly results from differences in technical provisions and insurance receivables for Solvency II.

Temporary differences between the Solvency II value of the assets and liabilities and their corresponding tax base as defined in IAS 12 are assessed, and any deferred tax asset or liability is adjusted or set up as required. The methods used to value deferred tax assets and/or liabilities under IAS 12 are disclosed in the Company's Annual Report and Financial Statements.

The tax rates used in the calculation are the applicable UK tax rates. Deferred tax is calculated at the rate that was in force on the reporting date.

The UK Government announced its intention in the budget of 3 March 2021 to legislate to increase the rate of corporation tax from 19% to 25% with effect from 1 April 2023. This legislation was substantively enacted on 24 May 2021.

The Organisation for Economic Cooperation and Development ("OECD") Pillar Two Model Rules

The group is within the scope for the OECD Pillar Two model rules. Pillar Two legislation was enacted in the UK, the jurisdiction in which the Company is incorporated, and will come into effect from 1 January 2025. Since the Pillar Two legislation was not effective at the reporting date, the group has no related current tax exposure. The group applies the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes, as provided in the amendments to IAS 12 issued in May 2023.

Under the legislation, the group is liable to pay a top-up tax for the difference between its GloBE ("Global Anti-Base Erosion Rules") effective tax rate per jurisdiction and the 15% minimum rate. The group is in the process of assessing its exposure to the Pillar Two legislation for when it comes into effect. Due to the complexities in applying the legislation and calculating GloBE income, the quantitative impact of the enacted or substantively enacted legislation is not yet reasonably estimable. Therefore, even for those entities with an accounting effective tax rate above 15%, there might still be Pillar Two tax implications. The group is currently engaged with tax specialists to assist it with applying the legislation.

The Solvency II to IFRS valuation differences, their applicable tax rate and the deferred tax impact are outlined below.

	Valuation differences before deferred tax (£000)	Tax rate applied	Deferred tax impact (£000)	Net differences between IFRS and SII (£000)
Reinsurance recoverables	337	25%	(85)	252
Technical provisions– Best Estimate – life	(424)	25%	105	(319)
Technical provisions– Risk Margin – life	(26)	25%	7	19
Reinsurance payables	40	25%	(10)	30

D.2 Technical Provisions

The table below shows the technical provisions both gross and net of reinsurance by Solvency II line of business.

	Gross (£000)				Net (£000)			
SII line of business	Claims Provision	Premium Provision	Risk Margin	SII Technical Provision	Claims Provision	Premium Provision	Risk Margin	SII Technical Provision
Non-proportional marine, aviation and transport reinsurance	5	-	-	5	5	-	-	5
Annuities stemming from non-life insurance contracts and relating to insurance obligation other than health insurance obligations	4,572	-	37	4,609	613	-	37	650
Total	**4,577**	**-**	**37**	**4,614**	**618**	**-**	**37**	**655**

Technical provisions are calculated in respect of all insurance obligations to policyholders.

The value of the technical provisions corresponds to the current amount required to transfer insurance obligations immediately to another insurance entity.

The technical provisions consist of the claims provision and risk margin, and these elements are calculated separately. Each element is calculated by line of business, both gross of reinsurance and for associated reinsurance recoveries. For each line of business, the approach taken is the same, and the methods and assumptions used for each line of business are based on the actual exposure and experience of that line of business.

Methods and main assumptions

The calculation of the technical provisions is based on up-to-date and credible information and realistic assumptions and is performed using actuarial and statistical methods relevant to the line of business.

Claims provision

The claims provision is based on the undiscounted IFRS claims reserves. A payment pattern derived from historical data for each line of business is applied to each element of the claims provision to obtain future cash flows, which are discounted to reflect the time value of money in line with Solvency II requirements.

Premium provision

This is not applicable for Trafalgar.

Risk Margin (unaudited)

The risk margin is calculated by determining the cost of providing an amount of eligible own funds equal to the SCR necessary to support the insurance obligations over their lifetime.

Our approach to estimating future SCRs is based on the current SCR as a proportion of best estimate provisions, adjusted to reflect the increased levels of risk inherent in the claims reserves over time. It uses ratios to assess reserve risk capital throughout the run-off period, and grossing up factors to scale up for other risks.

The cost of capital rate used in the calculation of the risk margin is set by the PRA. Reforms introduced in Q4 2023 resulted in a reduction in the cost of capital rate used in the calculation of the risk margin from 6% to 4%. Alongside this, a risk tapering factor has been introduced for non-life obligations, which reduces their contribution to the risk margin. This tapering only applies to settled PPOs.

Uncertainty

The Solvency II basis has inherent uncertainty around the discount benefit arising from future movements in the yield curve and payment patterns. Other than discounting, the assumptions that have the greatest effect on the movement of provisions are those that affect the expected level of claims. Uncertainty around the level of claims can come from a number of sources, including, but not limited to:

- Longevity of annuity claimants being different from that expected.
- Future inflation rates in paying annuities being different from those expected.
- Future inflation rates increasing net retention under reinsurance indexation clauses.
- Claims reporting patterns being different from those expected; and
- Claims handling costs being different from those expected.

The calculation of the technical provisions requires a number of assumptions in addition to those supporting the IFRS calculations. A key additional assumption is the future cash-flow used for the discounting calculation.

Sensitivity analysis has been conducted to understand how the technical provisions react to changes in the key assumptions documented above. The results are shown below:

Sensitivity	Change in net technical provisions (£000)	% change in net technical provisions
Increase risk yield by 1%	(93)	(14.2)%
Decrease risk yield by 1%	118	18.1%
Delay payment by 1 year	(17)	(2.6)%
Advance payment by 1 year	17	2.6%

Events not in data ("ENID")

ENIDs are derived by using a scenario approach, with estimated probabilities and severities for each scenario used to calculate an explicit load for unexpected claims or claim deteriorations. The ENIDs are allocated by line of business. ENIDs are calculated on an undiscounted basis and are also included within the IFRS best estimate. ENID scenarios are calculated both gross and net of reinsurance.

Differences in valuation methodologies

The Solvency II Best Estimate Liability ("BEL") is based upon the IFRS Actuarial Best Estimate ("ABE"). However, elements of the ABE which are required under IFRS are not required under Solvency II and vice versa. Broadly, these can be summarised as follows:

- IFRS reserves held on the balance sheet are discounted based on current rates. The current rate is equal to the risk-free rate, plus the addition of an illiquidity adjuster. The illiquidity adjuster is set to zero for the LRC ("Liability for remaining Coverage"). The Solvency II BEL is instead discounted based on the latest PRA risk-free curve.

- IFRS includes a risk adjustment, which is the compensation that an entity requires for bearing the uncertainty about the amount and timing of the cash flows that arises from non-financial risk. In the Solvency II BEL, this is replaced by the risk margin.

Matching and volatility adjustments

No matching adjustment or volatility adjustment is applied to the risk free yield curve used to discount the technical provisions.

Reinsurance recoverables

Reinsurance recoverables are calculated for the claims provision. The following cash flows are taken into account:

Cash inflows:

- Recoverables from reinsurance contracts for claims payments and related expenses.

Cash outflows:

- Counterparty default adjustment.

For the claims provision, reinsurance recoveries for outstanding claims are calculated on a case by case basis. Incurred but not reported provisions for outstanding claims are estimated at both gross and net levels separately.

A counterparty default adjustment is held to reflect the expected amount of losses due to default of reinsurance counterparties. This consists of the bad debt provision held under IFRS in respect of PPO reinsurance recoveries, given the long term relationship involved with the reinsurers for these exposures.

IFRS to Solvency II Technical Provisions

The following table shows a breakdown of the differences between IFRS provisions (net of reinsurance) and Solvency II technical provisions by Solvency II line of business.

The first column shows the IFRS technical provisions net of reinsurance. The final column shows the Solvency II net technical provisions including the risk margin.

Other adjustments include adjustments in respect of expenses and counterparty defaults, which are not material individually.

The IFRS Risk Adjustment is replaced by the Solvency II risk margin. The risk margin for the annuities line is most significant as a proportion of overall provisions, due to the long duration of the PPOs contained within this line and high capital charges that PPOs attract under Solvency II.

SII line of business	IFRS provisions (£000)	Discounting adjustment (£000)	Risk adjustment with risk margin (£000)	Other adjustments (£000)	SII technical provisions (£000)
Non-proportional marine, aviation and transport reinsurance	5	-	-	-	5
Annuities stemming from non-life insurance contracts and relating to insurance obligation other than health insurance obligations	537	7	26	80	650
Total	**542**	**7**	**26**	**80**	**655**

Material changes in the relevant assumptions made in the calculation of the technical provisions

	Gross (£000)			Net (£000)		
	2023	2022	Change	2023	2022	Change
Best estimate	4,577	5,108	(531)	617	878	(261)
Risk Margin	37	609	(572)	37	609	(572)
SII Technical Provisions	4,614	5,717	(1,103)	654	1,487	(833)

The table above shows the change in the technical provisions from 2022 to 2023, both gross and net of reinsurance.

Overall, the net technical provisions have decreased by £833k over the year.

The decrease in BEL is driven by a £572k decrease in the risk margin. The main drivers are:

- The reduction in cost of capital rate from 6% to 4%.
- A reduction in the charge factor due to a reduction in net counterparty risk from last year.
- A reduction in PPO reserves over the year.

The claims provision has decreased by £261k in the year, due to a reduction in PPO reserves.

Assumptions are subject to a regular review cycle with the period between reviews chosen to reflect the materiality of the assumption.

Simplifications

The calculation of the technical provisions is carried out using materially appropriate, complete and correct data and using valuation methods which are appropriate to the nature and complexity of the insurance technical risks. The limitations of the calculation methodology are identified and understood. Selection of the appropriate method is based on expert judgement, considering the quality, quantity and reliability of the available data and analysis of all important characteristics of the business. The assumptions and parameters used in each method are clear and explicitly identified. The key drivers and uncertainties associated with the best estimate are explored and described.

The risk margin is estimated using an adjusted proportional proxy method to project future SCRs. It uses ratios to assess premium risk and reserve risk capital throughout the run-off period allowing for the changing nature of the liabilities through the run-off period and grossing up to allow for other risks, adjusted to reflect the changing levels of riskiness of the claims reserves over time. This method is defined by Solvency II regulation as a simplification.

D.3 Other liabilities

For all other classes of liability there is no difference between the IFRS valuation and the Solvency II balance sheet valuation. Full details on valuation methodologies can be found in the Trafalgar Insurance Limited Annual Report and Financial Statements.

D.4 Alternative methods for valuation

No alternative valuation methods are used.

D.5 Any other information

There is no other material information on the valuation of assets or liabilities.

E. Capital Management

E.1 Own funds

One of the core objectives of the Company strategy is to maintain its financial strength. Capital is a resource that supports the risk bearing capacity of the Company, forming a foundation for the Company's long-term viability and the trust of its customers.

The Company applies an integrated risk capital framework, taking into account appetite and capital allocation across the Company. Capital management protects the Company's Own Funds in line with the risk strategy and appetite. Both risk considerations and Own Funds needs are integrated into management processes through the attribution of risk and allocation of Own Funds to the various lines of business.

A core element of the approach to capital management is the approval by the Board of any dividends or requests for additional capital. This approval is subject to maintaining an adequate margin over the SCR and MCR.

The current liquidity plan and solvency projections reflect all planned changes in Own Funds for the next three years.

There were no material changes over the reporting period with regards to objectives, policies and processes employed by the Company for managing its Own Funds.

The table below shows the breakdown of the Own Funds by tier, and the SCR coverage.

	2023 (£000)	2022 (£000)	Movement (£000)
Ordinary shares	6,000	6,000	-
Reconciliation reserve	2,476	1,512	964
Total tier 1	8,476	7,512	964
Net deferred tax assets	-	75	(75)
Total tier 3	-	75	(75)
Total eligible own funds to meet the SCR	8,476	7,587	890
SCR	1,030	1,108	(78)
SCR coverage ratio*	823%	685%	138%
Total eligible own funds to meet the MCR	8,476	7,512	964
MCR	3,495	3,445	50
MCR coverage ratio	243%	218%	25%

*There is no allowance for a foreseeable dividend.

Only tier 1 and tier 2 Own Funds are eligible to meet the MCR so tier 3 Own Funds have been excluded from the MCR coverage ratio. No Own Fund items for the Company are subject to transitional measures for their inclusion in tier 1. The Company does not have any tier 2 Own Funds or tier 3 Own Funds at the end of 2023 (2022:£75k). There are no restrictions on the eligibility of available Own Funds to support the SCR and MCR, and no matching adjustment portfolio exists. The Company has no subordinated debt or ancillary Own Fund items. No Own Fund items were issued or redeemed during the year. The reconciliation reserve is made up of retained earnings and reconciliation adjustments from IFRS to Solvency II balance sheet only.

As at 31 December 2023 there is no difference between the excess of assets over liabilities and Own Funds.

Reconciliation between IFRS and Solvency II excess of assets over liabilities

The Solvency II excess of assets over liabilities amounts to £8,476k, whereas the IFRS excess of assets over liabilities amounts to £8,532k. The difference of £56k is attributable to the difference between the risk adjustment and risk margin (+£26k), differences in valuation of technical provisions and reinsurance recoverables (+£87k), reinsurance payables (-£40k) and deferred tax liabilities (-£17k).

E.2 Solvency Capital Requirement and Minimum Capital Requirement

The SCR at 31 December 2023 amounts to £1,030k, and the MCR amounts to £3,495k (being equal to the minimum requirement of €4m set by Solvency II converted at the exchange rate mandated by the PRA).

The Company uses the Standard Formula basis to calculate the SCR. The approach to calculating the SCR and MCR is in accordance with the Solvency II Directive. The Company is not using any material simplifications or undertaking specific parameters in the calculation of the SCR and does not have any regulatory capital add-ons.

A split of the SCR by the risk modules and sub-modules modelled by the standard formula model is shown in the following table. The comparative figures for 2022 and the movement over the reporting period are also shown.

Category of risk	Capital (£000s)		
	2023	2022	Movement
Non-life underwriting risk	3	3	-
Market risk	1,150	1,163	(13)
Concentration risk	1,034	1,006	28
Interest Rate risk	116	157	(41)
Life underwriting risk	**43**	**66**	**(24)**
Counterparty default risk	**82**	**146**	**(64)**
Operational risk	**21**	**23**	**(2)**
Sum of standalone risks	**1,299**	**1,401**	**(103)**
Diversification benefit	(269)	(293)	24
SCR	**1,030**	**1,108**	**(78)**

The total diversified SCR for the Company is broadly stable compared to last year. The MCR remains the key capital requirement.

E.3 Use of the duration-based equity risk sub-module in the calculation of the Solvency Capital Requirement

The Company has not applied the duration-based equity risk sub-module in the calculation of the SCR.

E.4 Differences between Standard Formula and any Internal Model used

This does not apply as the Company does not use an Internal Model to calculate its SCR.

E.5 Non-compliance with the Minimum Capital Requirement and the Solvency Capital Requirement

The Company has complied continuously with the MCR and the SCR.

E.6 Any other material information

All important information regarding the capital management of the undertaking is addressed in the above sections.

Statement of Directors' Responsibilities

Financial period ended 31 December 2023

We acknowledge our responsibility for preparing the SFCR in all material respects in accordance with the PRA Rules and the Solvency II Regulations.

We are satisfied that:

a) throughout the financial year in question, the insurer has complied in all material respects with the requirements of the PRA Rules and the Solvency II Regulations as applicable to the insurer; and

b) it is reasonable to believe that the insurer has continued so to comply subsequently and will continue so to comply in future.

The SFCR was approved by the Board of Directors on 2 April 2024 and signed on its behalf by:

U Lange

Director

Trafalgar Insurance Limited

Registered Number: 00096205

		Solvency II value
		C0010
Assets		
Goodwill	R0010	
Deferred acquisition costs	R0020	
Intangible assets	R0030	
Deferred tax assets	R0040	0
Pension benefit surplus	R0050	
Property, plant & equipment held for own use	R0060	
contracts)	**R0070**	
Property (other than for own use)	R0080	
Holdings in related undertakings, including participations	R0090	
Equities	*R0100*	
Equities - listed	R0110	
Equities - unlisted	R0120	
Bonds	*R0130*	
Government Bonds	R0140	
Corporate Bonds	R0150	
Structured notes	R0160	
Collateralised securities	R0170	
Collective Investments Undertakings	R0180	
Derivatives	R0190	
Deposits other than cash equivalents	R0200	
Other investments	R0210	
Assets held for index-linked and unit-linked contracts	R0220	
Loans and mortgages	**R0230**	**8,886**
Loans on policies	R0240	
Loans and mortgages to individuals	R0250	
Other loans and mortgages	R0260	8,886
Reinsurance recoverables from:	**R0270**	**3,960**
Non-life and health similar to non-life	R0280	
Non-life excluding health	R0290	
Health similar to non-life	R0300	
linked	R0310	3,960
Health similar to life	R0320	
Life excluding health and index-linked and unit-linked	R0330	3,960
Life index-linked and unit-linked	R0340	
Deposits to cedants	R0350	
Insurance and intermediaries receivables	R0360	13
Reinsurance receivables	R0370	159
Receivables (trade, not insurance)	R0380	53
Own shares (held directly)	R0390	
paid in	R0400	
Cash and cash equivalents	R0410	328
Any other assets, not elsewhere shown	R0420	
Total assets	**R0500**	**13,399**

Liabilities

Technical provisions - non-life	**R0510**	**5**
Technical provisions - non-life (excluding health)	**R0520**	**5**
Technical provisions calculated as a whole	R0530	
Best Estimate	R0540	5
Risk margin	R0550	0
Technical provisions - health (similar to non-life)	**R0560**	
Technical provisions calculated as a whole	R0570	

Best Estimate	R0580	
Risk margin	R0590	
Technical provisions - life (excluding index-linked and unit-linked)	**R0600**	**4,610**
Technical provisions - health (similar to life)	**R0610**	
Technical provisions calculated as a whole	R0620	
Best estimate	R0630	
Risk margin	R0640	
linked)	**R0650**	**4,610**
Technical provisions calculated as a whole	R0660	
Best Estimate	R0670	4,572
Risk margin	R0680	37
Technical provisions - index-linked and unit-linked	**R0690**	
Technical provisions calculated as a whole	R0700	
Best Estimate	R0710	
Risk margin	R0720	
Other technical provisions	R0730	
Contingent liabilities	R0740	
Provisions other than technical provisions	R0750	
Pension benefit obligations	R0760	
Deposits from reinsurers	R0770	
Deferred tax liabilities	R0780	47
Derivatives	R0790	
Debts owed to credit institutions	R0800	
Financial liabilities other than debts owed to credit institutions	R0810	
Insurance & intermediaries payables	R0820	
Reinsurance payables	R0830	0
Payables (trade, not insurance)	R0840	
Subordinated liabilities	**R0850**	
Subordinated liabilities not in Basic Own Funds	R0860	
Subordinated liabilities in Basic Own Funds	R0870	
Any other liabilities, not elsewhere shown	R0880	261

Premiums, claims and expenses by line of business
EIOPA QRT: S.05.01

Premiums, claims and expenses by line of business

		Line of Business for: non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)												Line of Business for: accepted non-proportional reinsurance				Total
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Miscellaneous financial loss	Health	Casualty	Marine, aviation, transport	Property	
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0200
Premiums written																		
Gross - Direct Business	R0110																	0
Gross - Proportional reinsurance accepted	R0120																	0
Gross - Non-proportional reinsurance accepted	R0130																	0
Reinsurers' share	R0140																	0
Net	**R0200**																	0
Premiums earned																		
Gross - Direct Business	R0210																	0
Gross - Proportional reinsurance accepted	R0220																	0
Gross - Non-proportional reinsurance accepted	R0230																	0
Reinsurers' share	R0240																	0
Net	**R0300**																	0
Claims incurred																		
Gross - Direct Business	R0310																	0
Gross - Proportional reinsurance accepted	R0320																	0
Gross - Non-proportional reinsurance accepted	R0330																	0
Reinsurers' share	R0340																	0
Net	**R0400**																	0
Changes in other technical provisions																		
Gross - Direct Business	R0410																	0
Gross - Proportional reinsurance accepted	R0420																	0
Gross - Non-proportional reinsurance accepted	R0430																	0
Reinsurers' share	R0440																	0
Net	**R0500**																	0
Expenses incurred	**R0550**																	0
Other expenses	R1200																	
Total expenses	**R1300**																	

		Line of Business for: life insurance obligations						Life reinsurance obligations		Total
		Health insurance	Insurance with profit participation	Index-linked and unit-linked insurance	Other life insurance	Annuities stemming from non-life insurance contracts and relating to health insurance obligations	Annuities stemming from non-life insurance contracts and relating to insurance obligations other than health insurance obligations	Health reinsurance	Life reinsurance	
		C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0300
Premiums written										
Gross	R1410									0
Reinsurers' share	R1420									0
Net	**R1500**									0
Premiums earned										
Gross	R1510									0
Reinsurers' share	R1520									0
Net	**R1600**									0
Claims incurred										
Gross	R1610						969			969
Reinsurers' share	R1620						853			853
Net	**R1700**						116			116
Changes in other technical provisions										
Gross	R1710									0
Reinsurers' share	R1720									0
Net	**R1800**									0
Expenses incurred	**R1900**						56			56
Other expenses	**R2500**									
Total expenses	**R2600**									56

EIOPA QRT: S.12.01

Life and Health SLT Technical Provisions

		Insurance with profit participation	Index-linked and unit-linked insurance			Other life insurance			Annuities stemming from non-life insurance contracts and relating to insurance obligation other than health insurance obligations	Accepted reinsurance	**Total (Life other than health insurance, including Unit-Linked)**	Health insurance (direct business)			Annuities stemming from non-life insurance contracts and relating to health insurance obligations	Health reinsurance (reinsurance accepted)	**Total (Health similar to life insurance)**
				Contracts without options and guarantees	Contracts with options or guarantees		Contracts without options and guarantees	Contracts with options or guarantees					Contracts without options and guarantees	Contracts with options or guarantees			
		C0020	**C0030**	**C0040**	**C0050**	**C0060**	**C0070**	**C0080**	**C0090**	**C0100**	**C0150**	**C0160**	**C0170**	**C0180**	**C0190**	**C0200**	**C0210**
Technical provisions calculated as a whole	**R0010**										**0**						**0**
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP as a whole	R0020										**0**						**0**
Technical provisions calculated as a sum of BE and RM																	
Best Estimate																	
Gross Best Estimate	**R0030**								4,572		**4,572**						**0**
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0080								3,960		**3,960**						**0**
Best estimate minus recoverables from reinsurance/SPV and Finite Re - total	R0090								**613**		**613**						**0**
Risk Margin	**R0100**								**37**		**37**						**0**
Amount of the transitional on Technical Provisions																	
Technical Provisions calculated as a whole	R0110										**0**						**0**
Best estimate	R0120										**0**						**0**
Risk margin	R0130										**0**						**0**
Technical provisions - total	**R0200**								**4,610**		**4,610**						**0**

Non - life Technical Provisions

		Direct business and accepted proportional reinsurance												Accepted non-proportional reinsurance:				Total Non-Life obligations
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Miscellaneous financial loss	Non-proportional health reinsurance	Non-proportional casualty reinsurance	Non-proportional marine, aviation and transport reinsurance	Non-proportional property reinsurance	
		C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0170	C0180
Technical provisions calculated as a whole	**R0010**																	**0**
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP calculated as a whole	**R0050**																	**0**
Technical Provisions calculated as a sum of BE and RM																		
Best estimate																		
Premium provisions																		
Gross	R0060																	**0**
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0140																	**0**
Net Best Estimate of Premium Provisions	R0150																	**0**
Claims provisions																		
Gross	R0160															**5**		**5**
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0240																	**0**
Net Best Estimate of Claims Provisions	R0250															**5**		**5**
Total Best estimate - gross	**R0260**															**5**		**5**
Total Best estimate - net	**R0270**															**5**		**5**
Risk margin	**R0280**															0		**0**
Amount of the transitional on Technical Provisions																		
Technical Provisions calculated as a whole	R0290																	**0**
Best estimate	R0300																	**0**
Risk margin	R0310																	**0**
Technical provisions - total																		
Technical provisions - total	**R0320**															**5**		**5**
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	**R0330**																	**0**
Technical provisions minus recoverables from reinsurance/SPV and Finite Re- total	**R0340**															**5**		**5**

Non-life Insurance Claims Information

Gross Claims Paid (non-cumulative)

		0	1	2	3	4	5	6	7	8	9	10 & +
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110
Prior	R0100											
2014	R0160											
2015	R0170											
2016	R0180											
2017	R0190											
2018	R0200											
2019	R0210											
2020	R0220											
2021	R0230											
2022	R0240											
2023	R0250											

	In Current year	Sum of years (cumulative)
	C0170	C0180
R0100		
R0160		
R0170		
R0180		
R0190		
R0200		
R0210		
R0220		
R0230		
R0240		
R0250		
Total R0260		

Non-life Insurance Claims Information

Gross Claims Paid (non-cumulative)

		Development year										
		0	1	2	3	4	5	6	7	8	9	10 & +
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110
Prior	R0100											
2014	R0160											
2015	R0170											
2016	R0180											
2017	R0190											
2018	R0200											
2019	R0210											
2020	R0220											
2021	R0230											
2022	R0240											
2023	R0250											

		In Current year	Sum of years (cumulative)
		C0170	C0180
	R0100		
	R0160		
	R0170		
	R0180		
	R0190		
	R0200		
	R0210		
	R0220		
	R0230		
	R0240		
	R0250		
Total	R0260		

Own funds

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation 2015/35						
Ordinary share capital (gross of own shares)	R0010	6,000	6,000			
Share premium account related to ordinary share capital	R0030					
Initial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	R0040					
Subordinated mutual member accounts	R0050					
Surplus funds	R0070					
Preference shares	R0090					
Share premium account related to preference shares	R0110					
Reconciliation reserve	R0130	2,476	2,476			
Subordinated liabilities	R0140					
An amount equal to the value of net deferred tax assets	R0160					
Other own fund items approved by the supervisory authority as basic own funds not specified above	R0180					
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds						
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds	R0220					
Deductions						
Deductions for participations in financial and credit institutions	R0230					
Total basic own funds after deductions	**R0290**	**8,476**	**8,476**			
Ancillary own funds						
Unpaid and uncalled ordinary share capital callable on demand	R0300					
Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	R0310					
Unpaid and uncalled preference shares callable on demand	R0320					
A legally binding commitment to subscribe and pay for subordinated liabilities on demand	R0330					
Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	R0340					
Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	R0350					
Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0360					
Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0370					
Other ancillary own funds	R0390					
Total ancillary own funds	**R0400**					
Available and eligible own funds						
Total available own funds to meet the SCR	**R0500**	**8,476**	**8,476**			
Total available own funds to meet the MCR	**R0510**	**8,476**	**8,476**			
Total eligible own funds to meet the SCR	**R0540**	**8,476**	**8,476**			
Total eligible own funds to meet the MCR	**R0550**	**8,476**	**8,476**			
SCR	**R0580**	**1,030**				
MCR	**R0600**	**3,495**				
Ratio of Eligible own funds to SCR	**R0620**	**822.84%**				
Ratio of Eligible own funds to MCR	**R0640**	**242.53%**				

		C0060
Reconciliation reserve		
Excess of assets over liabilities	R0700	8,476
Own shares (held directly and indirectly)	R0710	
Foreseeable dividends, distributions and charges	R0720	
Other basic own fund items	R0730	6,000
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	R0740	
Reconciliation reserve	**R0760**	**2,476**
Expected profits		
Expected profits included in future premiums (EPIFP) - Life Business	R0770	
Expected profits included in future premiums (EPIFP) - Non- life business	R0780	
Total Expected profits included in future premiums (EPIFP)	**R0790**	

Solvency Capital Requirement - for undertakings on Standard Formula

		Gross solvency capital requirement	USP
		C0110	C0090
Market risk	R0010	1,041	
Counterparty default risk	R0020	82	
Life underwriting risk	R0030	43	
Health underwriting risk	R0040		
Non-life underwriting risk	R0050	3	
Diversification	R0060	-91	
Intangible asset risk	R0070		
Basic Solvency Capital Requirement	**R0100**	**1,077**	

Calculation of Solvency Capital Requirement

		C0100
Operational risk	R0130	21
Loss-absorbing capacity of technical provisions	R0140	
Loss-absorbing capacity of deferred taxes	R0150	-68
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	R0160	
Solvency capital requirement excluding capital add-on	R0200	1,030
Capital add-on already set	**R0210**	
Solvency capital requirement	R0220	1,030
Other information on SCR		
Capital requirement for duration-based equity risk sub-module	R0400	
Total amount of Notional Solvency Capital Requirements for remaining part	R0410	
Total amount of Notional Solvency Capital Requirements for ring fenced funds	R0420	
Total amount of Notional Solvency Capital Requirements for matching adjustment portfolios	R0430	
Diversification effects due to RFF nSCR aggregation for article 304	R0440	

Approach to tax rate

		Yes/No
		C0109
Approach based on average tax rate	R0590	1 - Yes

Calculation of loss absorbing capacity of deferred taxes

		LAC DT
		C0130
LAC DT	R0640	-68
LAC DT justified by reversion of deferred tax liabilities	R0650	-68
LAC DT justified by reference to probable future taxable economic profit	R0660	
LAC DT justified by carry back, current year	R0670	
LAC DT justified by carry back, future years	R0680	
Maximum LAC DT	R0690	-68

Minimum Capital Requirement - Only life or only non-life insurance or reinsurance activity

Linear formula component for non-life insurance and reinsurance obligations

MCR calculation Non Life		Non-life activities: Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Non-life activities: Net (of reinsurance) written premiums in the last 12 months
		C0020	C0030
Medical expense insurance and proportional reinsurance	R0020		
Income protection insurance and proportional reinsurance	R0030		
Workers' compensation insurance and proportional reinsurance	R0040		
Motor vehicle liability insurance and proportional reinsurance	R0050		
Other motor insurance and proportional reinsurance	R0060		
Marine, aviation and transport insurance and proportional reinsurance	R0070		
Fire and other damage to property insurance and proportional reinsurance	R0080		
General liability insurance and proportional reinsurance	R0090		
Credit and suretyship insurance and proportional reinsurance	R0100		
Legal expenses insurance and proportional reinsurance	R0110		
Assistance and proportional reinsurance	R0120		
Miscellaneous financial loss insurance and proportional reinsurance	R0130		
Non-proportional health reinsurance	R0140		
Non-proportional casualty reinsurance	R0150		
Non-proportional marine, aviation and transport reinsurance	R0160	5	
Non-proportional property reinsurance	R0170		

Linear formula component for life insurance and reinsurance obligations

MCR calculation Life		Life activities: Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Life activities: Net (of reinsurance/SPV) total capital at risk
		C0050	C0060
Obligations with profit participation - guaranteed benefits	R0210		
Obligations with profit participation - future discretionary benefits	R0220		
Index-linked and unit-linked insurance obligations	R0230		
Other life (re)insurance and health (re)insurance obligations	R0240	613	
Total capital at risk for all life (re)insurance obligations	R0250		0

		Non-life activities	Life activities
		C0010	C0040
MCRNL Result	R0010	1	
MCRL Result	R0200		13

Overall MCR calculation		C0070
Linear MCR	R0300	14
SCR	R0310	1,030
MCR cap	R0320	464
MCR floor	R0330	258
Combined MCR	R0340	258
Absolute floor of the MCR	R0350	3,495

		C0070
Minimum Capital Requirement	**R0400**	**3,495**